

(By: David Lieb / Associated Press )

Federal Medicaid officials said Friday that Missouri is at risk of losing some federal funding for medical services to the blind because of the way the state has implemented recent Medicaid cuts.

State Medicaid director Mike Ditmore said the federal concerns could lead the state to simply pay for services for the blind, forgoing the typical federal reimbursement.

At issue is legislation enacted by Republican Gov. Matt Blunt that cuts dental care, reduces eye care and eliminates coverage of certain medical equipment such as wheelchair batteries for most low-income parents, elderly and disabled people on Medicaid. The blind, pregnant women and children are exempt from the cuts.

To provide services to the blind and not other classes of Medicaid recipients requires a waiver of normal rules from the federal Centers for Medicare and Medicaid Services.

The state submitted a waiver application in August, but federal officials responded in a pair of letters dated Nov. 21 that the applications could not be approved without making some changes. The federal government gave the state 90 days to supply more information.

Whereas the state already has authority to provide enhanced services to children and pregnant women, "there is no separate authority that would allow them to provide services to the blind that they're not also providing to other aged and disabled," said Barbara Cotterman, a Kansas City-based health insurance specialist with the federal Medicaid center.

Cotterman, and others who reviewed Missouri's application, said the state still could win approval for its plan if it changes its approach. The state essentially had asked to maintain service for the blind while cutting the other categories. Instead, the federal officials said, the state should seek approval to cut all those categories, then seek approval to restore services to the blind.

"They basically can do what they want to do, they just didn't have it written correctly," Cotterman said.

But because the state has continued providing Medicaid services to the blind before getting federal approval, the state is at risk for being denied federal money for those claims, said James Scott, the federal government's associate regional administrator for Medicaid and Children's Health. Scott said he did not know how much money was at stake.

The state Department of Social Services said the dispute centers on coverage for 921 blind Medicaid recipients. Ditmore, who directs the department's Medical Services Division, said it would cost the state about \$161,000 annually to forgo federal funding for their care.

It would cost more than that in staff time and preparation costs to follow the federal government's suggestion of asking to stop coverage and then seeking to restore it to the blind, Ditmore said.

"We may well accept paying for the federal share ourselves," Ditmore said.

U.S. Rep. Russ Carnahan, D-Mo., had led a letter-writing campaign involving about 20 other Congress members and interest groups urging the federal Centers for Medicare and Medicaid to reject Missouri's requested waiver to implement the cuts.

Citing the federal government's request for more information, Carnahan said he hopes state officials "pause and reconsider these hurtful cuts."

Federal and state Medicaid officials said the request for additional information about Missouri's Medicaid cuts was not unusual considering the complexity of the changes.